

## **ARTICLE 24**

### **Compensation**

#### **Section 1. General Wages.**

*(Pursuant to the previous economic agreement for FY 2007-2008, effective the beginning of the first full pay period in April, 2008, each hourly rate shall be increased by 2%.)*

- A. Fiscal Year 2008-2009: On October 1, 2008, the hourly rate in effect on September 30, 2008 shall remain in effect.
- B. Fiscal Year 2009-2010: On October 1, 2009, each hourly rate shall be increased by 1% (one percent).
- C. Fiscal Year 2010-2011: On October 1, 2010, each hourly rate shall be increased by 3% (three percent).
- D. Rates Of Compensation.  
Effective October 1, 2005, a new base step will be added to each level of each pay range which shall be the current base step minus the difference between the current base step and the first step. In the event that the creation of such a new base step results in an employee employed in this bargaining unit on January 1, 2005 being placed at a lower pay rate upon promotion than they would have received under the pay range structure in place on September 30, 2005, the employer will utilize provisions of Civil Service Regulation 5.01 Section 3.d.3.a(3) to grant an additional step.

#### **Section 2. Shift Differential.**

Employees shall be paid a shift differential of five percent (5%) per hour above their base rate for all hours worked in a day if fifty percent (50%) or more of their regularly scheduled shift falls between the hours of 4:00 pm and 5:00 am.

An employee shall earn no shift differential while on sick, annual, compensatory, holiday, personal or administrative leave. However, it is expressly agreed that if an employee is released from his/her work schedule pursuant to the provisions of this Agreement, and if the employee would be entitled by other provisions of this Agreement to pay for such released time, and if such released time would be paid a shift differential if worked, then such released time shall be paid the shift differential. The activities for which the shift differential will be paid are:

- Grievance Processing, including witness time;
- Labor Management Meetings;
- Health and Safety Committee Meetings;
- Affirmative Action Committee Meetings.

#### **Section 3. Hazard Pay.**

A. Criteria: An employee who is required to work under the following conditions shall be entitled to receive the hazard pay premium provided in Subsection B below:

- (1) Heights: Work on high structures in excess of forty (40) feet, which requires the use of scaffolding or safety harnesses. Work performed from safety buckets (aerial equipment) is not considered high structure work.
- (2) Tunnels: Work in tunnels (new construction or reconstruction where mining equipment is involved). Work in caissons is not considered tunnel work.

B. Rate: An employee who meets the criteria in Subsection A above shall be paid one dollar (\$1.00), for each hour worked on high structures or in tunnels, with a minimum of four (4) hours hazard pay per exposure day. Hazard pay shall be in addition to, and not a part of, the base pay.

C. Study Committee:

- (1) The parties agree to establish a committee within each Department for the purpose of determining means and methods for identifying hazards and hazardous conditions and for effectively dealing with those hazards and hazardous conditions.
- (2) Each committee shall be composed of two (2) members to be selected by and employed by the Department and two (2) members selected by the Union and employed in the Department. The Union members will be granted Administrative Leave for all approved time related to these committees. Such committees shall meet as often as necessary but for no longer than a sixty (60) day period following the initial session during any contract year.
- (3) At the conclusion of this period any joint recommendations arrived at by these committees shall be provided to the respective Departmental Employer for its consideration for implementation.
- (4) An Administrative Leave Bank of 300 hours per contract year shall be established which shall be for the use of the Union for the purpose of researching workplace hazards and related issues. This Administrative Leave Bank shall be administered as provided in Article 7, Section 5 of this Agreement.

#### **Section 4. Prison "P" Rate.**

A. Eligibility Criteria: An employee shall be eligible for the "P" rate premium provided in Section B below if the position is assigned responsibility for the custody or supervision of Department of Corrections residents on a regular and recurring basis in addition to the regular job duties, or if it is located at a correctional facility and is responsible to handle personal, financial, or other

matters affecting the well being of Department of Corrections residents on a regular and recurring basis.

The following interpretive criteria shall apply in determining employee eligibility for "P" rate pay:

- (1) Within the Department of Corrections, the position in question must be physically located within an institution under the jurisdiction of the Bureau of Correctional Facilities. Positions in other Departments must supervise residents assigned from the Bureau of Correctional Facilities.
- (2) A position where the work location is within the security perimeter of a medium, close or maximum custody correctional facility, thereby placing the employee in an environment where physical confrontation will occur, is one in which the employee is eligible.
- (3) "Regular and recurring" is defined as contact with residents in person, twenty five percent (25%) or more of the work time, in an environment that would permit a physical act to occur.
- (4) An employee working in a "covered position" within the meaning of P.A. 302 of 1977, as amended, is eligible.

B. Regular "P Rate": An employee who meets the criteria in Subsection A, paragraphs (1) through (3) above, shall be paid 40 cents per hour for all hours in pay status. Prison "P" rate shall be in addition to, and not a part of, the employee's base pay. Effective upon ratification of this agreement by the Civil Service Commission, an employee who meets the criteria in Subsection A, paragraph (4) above, shall also be entitled to the 40 cents per hour "P" rate as described above.

C. High Security Premium Pay: Effective October 1, 1990 the Employer will initiate the High Security Premium Pay program described below. The program is intended to provide financial incentives to Technical Unit Employees to continue working in certain high security correctional assignments, and not to transfer to other, lower security, assignments, work locations, and institutions.

- (1) Employees with at least two (2) years of continuous service who are eligible for "P" rate premium under Subsection A, above, who are assigned to close, maximum and administrative segregation work units within a Department of Corrections, Bureau of Correctional Facilities Institution which is designated by the Michigan Corrections Commission as having: A close, maximum or administrative segregation overall rating, or a close/medium overall rating with an administrative segregation unit shall be paid 50 cents per hour for all hours in pay status. Such payment shall be in addition to, and not part of, the employees' base pay. In the event that any disputes arise with respect

to application of Article 24, Section 4B - High Security "P" rate, these disputes shall be subject to the grievance procedure.

### **Section 5. On-Call Pay.**

- A. Definition: On-call is defined as the scheduled state of availability, outside the scheduled hours of work, to return to duty, work ready, within a specified period of time. General availability of an employee as "back-up" to working personnel in the event of extreme emergency is not considered on-call status.
- B. Criteria: An employee scheduled by the Employer for on-call duty is required to remain available through a pre-arranged means of communication. An employee so scheduled who is not available when contact is attempted, or who is not able or willing to report to duty, work ready, within the prescribed time shall not be eligible for on-call compensation for that date.
- C. Compensation Rate: An employee scheduled for on-call duty shall be compensated at the rate of one (1) hour of base pay for each five (5) hours in on-call duty status. On-call hours shall not be considered hours worked for any purposes other than the payment provided herein, and no overtime payment shall be made for such on-call hours.
- D. Recall While in On-Call Status: An employee who, at the Employer's direction, actually returns to duty while in on-call status shall be compensated for those hours actually worked in accordance with Article 17, Hours of Work, Section 7.

### **Section 6. Longevity.**

- A. Eligibility:
  - (1) Career employees who separate from state service and return and complete five years (10,400 hours) of full-time continuous service prior to October first of any year shall have placed to their credit all previous state classified service earned.
  - (2) To be eligible for a full annual longevity payment after the initial payment, a career employee must have completed continuous full-time classified service equal to the service required for original eligibility, plus a minimum of one additional year (2080 hours).
  - (3) Career employees rendering seasonal, intermittent or other part-time classified service shall, after establishing original eligibility, be entitled to subsequent annual payments on a pro rata basis for the number of hours in pay status during the longevity year.
- B. Payments: Payment shall be made in accordance with the table of longevity values based on length of service as of October 1.

- (1) No active employee shall receive more than the amount scheduled for one annual longevity payment during any twelve month period except in the event of retirement or death, or as provided in paragraph 7 of this subsection.
- (2) Initial payments—employees qualify for their initial payment by completing an aggregate of five years (10,400 hours) of continuous service prior to October 1. The initial payment shall always be a full payment (no proration).
- (3) Annual payments
  - a. Employees qualify for full annual payment by completing 2,080 hours of continuous service during the longevity year.
  - b. Employees who are in pay status less than 2,080 hours shall receive a pro rata annual payment based on the number of hours in pay status during the longevity year.
- (4) Payments to employees who become eligible on October 1 of any year shall be made on the pay date following the first full pay period in October; except that pro rata payments in case of retirement or death shall be made as soon as practicable thereafter.
- (5) Lost time considerations
  - a. Lost time is not creditable continuous service nor does it count in qualifying for an initial or an annual payment.
  - b. Employees do not earn state service credit in excess of 80 hours in a bi-weekly pay period. Paid overtime does not offset lost time, except where both occur in the same pay period.
- (6) Payment to employees on leave of absence without pay and layoff on October 1.
  - a. An employee on other than a waived rights leave of absence, who was in pay status less than 2,080 hours during the longevity year, will receive a pro rata annual payment based on the number of hours in pay status during the longevity year; such payment shall be made on the pay date following the first full pay period in October.
  - b. An employee on a waived rights leave of absence will receive a pro rata longevity payment upon returning from leave.

(7) Effective with the pay period beginning August 20, 2000 the anniversary date longevity system will be discontinued. Payments for the conversion period will be as outlined below.

- a. If the employee has more than 12,480 hours prior to October 1, 2000 and has received a longevity payment since the end of the last fiscal year, the employee shall receive a pro-rated payment in October 2000 based on the number of hours in pay status between the longevity anniversary date and October 1, 2000.
- b. If the employee has more than 12,480 hours of continuous service prior to October 1, 2000 and has not received a longevity payment since September 30, 1999, the employee's longevity payment in October, 2000 will be calculated based on the number of hours in pay status between his/her last longevity anniversary date and October 1, 2000, as a percentage of 2,080 hours. If an employee is scheduled to receive an anniversary longevity payment on or after August 20, 2000 but before October 1, 2000, the employee's longevity payment in October, 2000 will include both the anniversary longevity payment amount and an additional amount based on the number of hours the employee has been in pay status between the longevity anniversary date and October 1, 2000.

(8) Payment at retirement or death.

An employee with 10,400 hours of currently continuous service, who separates by reason of retirement or death, shall qualify and receive both a terminal and a supplemental payment as follows:

- a. A terminal payment, which shall be either:
  1. A full initial longevity payment based upon the total years of both current and prior service, if the employee has not yet received an initial longevity payment; or,
  2. A pro rata payment for time worked from the preceding October 1 to the date of separation, if previously qualified. The pro rata payment is based on hours in pay status since October 1 of the current fiscal year.
- b. A supplemental payment for all time previously not counted in determining the amount of prior longevity payments, if any.

C. Longevity Overtime: Upon conversion, the regular rate add-on for longevity will be calculated and paid retroactively for overtime worked in the previous fiscal year. This amount will be included in the longevity payment. In 2000 only, the regular rate add-on for longevity will be calculated retroactively for overtime

worked on and between August 20, 2000 and September 30, 2000, and will be paid with the longevity payment in the first full pay period in October 2000.

**Section 7. Working out of Class.**

(In accordance with Civil Service Rule 6-3.2, the parties cannot negotiate working out of class as it is a prohibited subject of bargaining.)

**Section 8. Compensation Policy under Conditions of General Emergency.**

- A. General Emergency: Conditions of general emergency include, but are not necessarily limited to, severe or unusual weather, civil disturbances, loss of utilities, physical plant failures, or similar occurrences. Such conditions may be widespread or limited to specific work locations.
- B. Administrative Determination: When conditions in an affected area or a specific location warrant, State facilities may be ordered closed or, if closure is not possible because of the necessity to continue services, a facility may be declared inaccessible. The decision to close a State facility or to declare it inaccessible will be at the full discretion of the Governor or his/her designated representative.
- C. Compensation in Situation of Closure: When a state facility is closed by the Governor or his/her designated representative, affected employees will be authorized administrative leave not to exceed a period of seven (7) calendar days to cover their normally scheduled hours of work during the period of closure.

Individual employees of facilities ordered closed may be required to work to perform essential services during the period of closure. When such is the case, these employees will be compensated in the manner prescribed for employees who work under conditions of declared inaccessibility. (See D)

- D. Compensation in Situation of Inaccessibility: If a State facility has not been closed but declared inaccessible in accordance with the Governor's policy, and an employee is unable to report for work due to such conditions, he/she will be granted administrative leave to cover his/her normally scheduled hours of work during the period of declared inaccessibility.

An employee who works at a State facility during a declared period of inaccessibility will be paid his/her regular salary and, if overtime work is required, in accordance with the overtime pay provisions of this Agreement. In addition, such employees will be granted compensatory time off (within a reasonable period of time) equal to the number of hours worked during the period of declared inaccessibility.

- E. Additional Timekeeping Procedures: If a State facility has not been closed or declared inaccessible during severe weather or other emergency conditions, an employee unable to report to work because of these conditions will be allowed to

use annual leave or compensatory time credits. If sufficient credits are not available, the employee shall be placed on lost time.

When an employee is absent from a scheduled work period, a portion of which is covered by a declaration of closure or inaccessibility, annual leave or compensatory time credits may be used to cover that portion of his/her absence not covered by administrative leave. If sufficient credits are not available, the employee will be placed on lost time.

Employees who suffer lost time as the result of the application of this policy will receive credit for a completed biweekly work period for all other purposes.

### **Section 9. Severance Pay.**

In recognition of the fact that the de-institutionalization of the Department of Mental Health resident population has resulted and will continue to result in the layoff of a large number of State employees, and in recognition of the fact that such layoffs are likely to result in the permanent termination of the employment relationship, the parties hereby agree to the establishment of severance pay for certain employees.

#### **A. Definitions:**

- (1) Layoff -- For purposes of this Section, layoff is defined as the termination of active State employment solely as a direct result of a reduction in force. Other separations from active State employment such as leaves of absence, resignation, suspension or dismissal shall not be considered a layoff under the terms of this section.
- (2) Week's Pay -- Week's Pay is defined as an employee's gross pay for forty (40) hours of work at straight time, excluding any differential or premium pay, at the time of layoff.
- (3) Year of Service -- Year of Service is defined as 2088 hours recorded in the Continuous Service Hours counter (see chart below).

#### **B. Eligibility:** The provisions of this Section shall apply only to Department of Mental Health agency based employees with more than one year of service who have been laid off because of a reduction in the resident population in State institutions. Further, the following employees shall not be eligible to receive severance pay:

- (1) Employees who are in less than satisfactory employment status.
- (2) Employees eligible to receive retirement pay at time of layoff.
- (3) Employees with a temporary or limited term appointment having a definite termination date.



- C. Time and Method of Payment: After an employee has been laid off for six (6) months in accordance with the provisions of this Section, he/she shall be notified by the Agency in writing that he/she has the option of remaining on the recall list(s) or of accepting a lump sum severance payment and thereby forfeiting all recall rights. The employee must notify the Agency in writing of his/her decision either to accept the severance payment or to retain recall rights. An employee who does not notify the Agency in writing of his/her decision shall be deemed to have elected to retain recall rights.

If the employee chooses to remain on recall and rejects the payment, the employee has the option at any time within the next six (6) months of accepting the lump sum severance payment and thereby forfeiting all recall rights. An employee who reaches such decision during the second six (6) month period shall notify the Agency in writing of his/her decision.

An employee who has been laid off for twelve (12) months shall be notified by the Agency in writing that he/she must choose either to accept the lump sum severance payment or to reject such payment. By rejecting such payment, the employee shall retain recall rights in conformance with the provisions of this Agreement and shall have no further opportunity to receive severance payment. The employee must notify the Agency in writing of his/her decision within fourteen (14) calendar days of receipt of the Agency's notification. An employee who does not notify the Agency in writing of his/her decision to accept the severance payment shall be deemed to have permanently rejected such payment and to have retained recall rights in accordance with Article 13. If an employee elects to accept the lump sum payment, the employee's name shall be removed from all recall lists and such payment shall be made by the Agency within sixty (60) calendar days of receipt of the employee's decision.

- D. Disqualification: An employee laid off as defined in this Section who has not elected in writing to accept severance payment shall be disqualified from receiving such payment under the following conditions:

- (1) If the employee is deceased.
- (2) If the employee is hired for any position by an Employer:
  - a. If such employment requires a probationary period, upon successful completion of such period.
  - b. If no probationary period is required, upon date of hire.
  - c. If a probationary period is required and the employee does not successfully complete such required probationary period and is therefore separated, such time of employment shall be bridged for purposes of the time limits in Subsection C above.
- (3) An employee who refuses recall to or new State employment hiring within a seventy five (75) miles radius of the Agency from which he/she was laid off.

(4) An employee permanently recalled to another job in State Government.

E. Effect of Recall:

- (1) An employee temporarily recalled for sixty (60) calendar days or less shall have such time bridged for purposes of counting the time in accordance with Subsection C above.
- (2) An employee permanently (more than sixty (60) calendar days) recalled to a position in this Bargaining Unit and subsequently laid off shall have the same rights as if he/she were laid off for the first time. The time limits listed in Subsection C above shall be applied from the date of the most recent layoff.

F. Effect of Hiring: If an employee has accepted severance payment and is hired in the State Classified Service or into a State funded position caring for residents within two (2) years of the acceptance of severance payment, such employee shall repay to the State the full net (gross less employee's FICA and income taxes) amount of the severance payment received. Such repayment shall not be required until after the employee has successfully completed a required probationary period. Once such employee has successfully completed the required probationary period, that employee shall have a one (1) year period to make the repayment to the Agency from which the severance payment was received. The details of the method and time schedule for such repayment shall be discussed between the employee and the Agency and reduced to writing and signed by the employee and the Appointing Authority or designee of the Agency. In cases of unusual hardship and by mutual consent the one year period may be extended.

G. Payment: An employee who elects in writing to receive severance pay shall receive an explanation of the terms of such severance pay. The Office of the State Employer shall develop a form which explains to such employee all the conditions attendant to acceptance of severance pay. The employee and Appointing Authority or designee shall sign this form and the signatures shall be witnessed.

No employee is entitled to receive severance payment until and unless he/she has signed the above mentioned form. The employee shall receive a carbon copy of the signed form.

The Employer shall deduct from the amount of any severance payment any amount required to be withheld by reason of law or regulation for payment of taxes to any Federal, State, County or Municipal Government. Eligible employees as indicated in Subsections A-F above shall receive severance payment according to the following schedule:

- (1) Employees who have from one (1) through five (5) years of service: One week's pay for every full completed year of service, years 1-5;
- (2) Employees who have more than six (6) full years of service: Two week's pay for every full completed year of service, years 6-10;
- (3) Employees who have more than eleven (11) full years of service: Three week's pay for every full completed year of service from year 11 on. For amounts, see attached schedule.

Employees who work less than full time (80 hours per pay period) shall be eligible in accordance with Subsections A-F above, to receive a proportional severance payment in accordance with the following formula:

The Agency shall calculate the average number of hours such employee worked for the calendar year preceding such employee's layoff. This number shall then be used to determine the proportion of such employee's time in relation to full-time employment. This proportion shall then be applied to the above payment schedule for purposes of payment. (See attached example).

However, no employee shall be entitled to receive more than fifty two (52) weeks of severance pay.

- H. Effect on Retirement: The acceptance or rejection of severance pay shall have no effect on vested pension rights under the Retirement Act. The parties agree that the severance payment shall not be included in the computation of compensation for the purpose of calculating retirement benefits and will seek and support statutory change if such legislation is necessary to so provide.
- I. Effective Date: The provisions of this Section shall apply to employees in the Technical Unit in the Department of Mental Health laid off on or after October 1, 1983.

**Severance Pay Schedule**

Hours	Years	Week's Pay
2088 - 4176	1	1
4177 - 6264	2	2
8353 - 10440	4	4
10441 - 12528	5	5

12529 - 14616	6	7
14617 - 16704	7	9
16705 - 18792	8	11
18793 - 20880	9	13
20881 - 22968	10	15
22969 - 25056	11	18
25057 - 27144	12	21
27145 - 29232	13	24
29233 - 31320	14	27
31321 - 33408	15	30
33409 - 35496	16	33
35497 - 37584	17	36
37585 - 39672	18	39
39673 - 41760	19	42
41761 - 43848	20	45
43849 - 45936	21	48
45937 - 48024	22	51
48025 - 50112	23	52
50113 - 52200	24	52
52201 - 54288	25	52
etc.		

Average number of hours worked in previous calendar year: 1980

Full time employee hours: 2088

Proportion (or percentage)  $1980/2088 = 94.8\%$

$.948 \times \$S.P. = \$\text{Gross Amount to be paid}$

S.P. = Severance Payment from schedule

### **Section 10. Safety Shoes.**

In accordance with the provisions of Article 14, Section 10, where safety shoes are required, an employee, at his/her option, may elect to receive shoes provided by the employer or receive an allowance of up to \$125.00 plus any medically required options, once per calendar year or, at the employee's option, receive an allowance of \$250.00 every 2 calendar years. An employee who demonstrates to the Employer the need for replacement safety shoes within the year, will, at the employee's option, be provided with replacements by the Employer in accordance with current practices or be reimbursed by the Employer up to \$50 (supported by a receipt) for the purchase of replacement safety shoes. In no event shall such allowance or reimbursement exceed the actual cost of the employee purchased protective item.

### **Section 11. Compensation Policies During Promotional Interviews.**

Employees selected by the Employer to participate in promotional interviews within the employee's own Department shall be released from work with pay for necessary travel time to and from the interview and for the interview itself. Travel expenses are not authorized.

### **Section 12. Special Pay Application.**

Upon appointment to a different classification series where the employee does not meet the experience requirements for the journey (experienced) level, the employee's rate of pay shall be maintained at the previous rate until the employee becomes eligible for the experienced level of the new classification series, provided the previous rate of pay does not exceed the maximum of the new experienced level class. In such case, the employee shall be paid at the maximum of the new experienced level class.

### **Section 13. Clothing/Cleaning Allowance.**

Effective October 1, 2005, Dental Hygienists shall be paid the gross sum of \$125 per year as a clothing/cleaning allowance. Such payment shall be made on the first pay date in December.